

REPLY IS PRAISED BY LONDON PRESS

"Gold and Thoroughly Uncompromising," Says the "Daily Express."

EXPECTS APPROVAL HERE

"Daily Telegraph" Believes No Objection Can Be Raised by Americans.

LONDON, Jan. 12 (Friday).—The Daily Express, emphasizing the contrast between the reply of the Allies and that of Germany, says:

"The note embodies just what a statement of this kind should be. Whether peace is obtainable on these terms is for Germany to indicate. The present note suggests that the time has not yet come. But at least the Allies have closed no door. Their position is clear and unassailable, and we believe that nowhere will the justice of their contentions be more fully recognized than in the United States."

The Daily Express says: "The reply is bold and thoroughly uncompromising. There is no hope that the enemy will accept the terms until they have received a decisive military defeat. Therefore it is impossible at this moment even to approach negotiations. The war must go on."

Accepts Wilson's Suggestion.

The Daily Telegraph contends that the Allies' reply is in complete contrast with Germany's, differing from it fundamentally and gravely, to the latter's disadvantage. It says that the German answer contained no hint of concession, as suggested by President Wilson, and was nothing less than a refusal to entertain the American suggestion, while the Allies' response accepted the suggestion and acted upon it.

"Making every allowance for neutrality of thought and the results of the German propaganda," says the paper, "we do not see how any American citizen, who is not definitely a German partisan, can raise objection to the Allies' statement of their aims in any particular. What is there in any of the Allies' declared objects which is not in complete conformity with the just principles which have hitherto guided the policy of the United States and all other free civilized nations?"

"What is the aim of the Allies' Declaration of Independence is opposed to the purposes particularly of Germany."

Allies have made as full a profession of their aims in this war as was ever made in history by any nation exercising the right of belligerence. There is no among their aims one of which they have not reason to be proud, and in that assurance they challenge the judgment of the American people and the neutral world."

German Plan Insulting.

The Morning Post says that President Wilson, "being far removed from the war both in body and in mind, perhaps failed to realize how insulting was the suggestion that the Allies should negotiate with an enemy who was deserting their territory and trampling their national rights and continuing to be the United States asked for specific terms the Allies have refused to make. The Premier affirms afresh that we shall fight to the end and in the case in which we are engaged, and the note in reply to President Wilson shows that we are proud of our position and are as proud as the dragon of the enemy."

The Daily Chronicle commends in the Entente reply the expression of the Allies' moral claims to be the vindicators of right and the defenders of civilization. "For," adds the paper, "the appearance of wilfully ignoring it was perhaps the most unacceptable feature in the note to which they are replying."

The Times believes that the Allies' reply to President Wilson "must command the assent and approbation of the great nations across the Atlantic, who have inherited, assimilated and developed the best principles and traditions of western civilization."

"The peace which the Allies desire," it declares, "is an inviolable fidelity to international engagements which Americans have always cherished and revered. It is the peace for which they are determined to fight on with their whole strength at any sacrifice."

HUGHES HONORED BY UNION LEAGUE CLUB

Unanimously Elected President
—21 Year Lease on Building Approved.

At the annual meeting last night of the Union League Club Charles Evans Hughes was unanimously elected president to succeed Elihu Root, whose term expired. At the same time the members approved a renewal of a lease on the club building at Fifth avenue and Thirty-ninth street for a period of twenty-one years at \$20,000 a year.

The following vice-presidents to serve until 1919 were also elected: Joseph H. Emery, James R. Morse, Harrison K. Bird and Frank A. Vanderbilt. Henry C. Quimby was elected secretary and Gates W. McGarrah treasurer. The executive committee to serve until 1919 is as follows: George P. Benjamin, William Barbour, Howard C. Smith, William L. Clarke and Frederick J. Middlebrook.

Those elected to membership on the committee of Political Reformers were: Benjamin L. Starnes, James R. Sheffer, George B. Arnesen, Ira H. Brainerd, Samuel S. Campbell, William Mitchell, William H. Hamilton, Francis P. Hutchinson, James L. Wandling, Chester S. Lord, Chauncey M. Depew, Jr., Rose C. E. Brown and Lloyd P. Stryker.

The new lease for twenty-one years at an annual rental of \$20,000 a year shows the remarkable increase in land values of that section of the city since the club was built in 1880. At the time the club was first built, it was the only building of its kind in that section. In 1901 lots were valued at between \$200,000 and \$250,000, and to-day it is estimated that they are worth all the way from \$500,000 to \$1,000,000. In 1909 a lot at the northwest corner of Thirty-ninth street and Fifth avenue was sold for \$225,000.

Travel to U. S. Increases.

In the calendar year of 1916 42,099 more persons arrived in this country from foreign ports than landed in 1915, according to William G. Moore, landing agent at Ellis Island. Passenger carrying vessels brought here in 1,274 trips 259,347 persons who were permitted to land. In the preceding year 216,274 passengers were landed at this port. Of this number 138,126 came in the steamships and were mostly from ports of the Mediterranean.

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BRITAIN LAUNCHES 'WIN THE WAR' LOAN

Bonar Law Hints at a Forced
Levy if Response Is Not
Satisfactory.

LONDON, Jan. 11.—The new British loan was launched at a great meeting at the Guildhall to-day. Andrew Bonar Law, Chancellor of the Exchequer, discussed the financial end of the issue, which is commonly called the "win the war" loan. The Chancellor sounded the keynote of the meeting when he said: "Will it ever be said that this country is willing to give its sons but not its money?" He hinted plainly at the possibility of a forced loan should this loan not attain its object.

Mr. Bonar Law said the new loan gives the option of a 5 per cent. taxable loan at 95 or a tax compounded loan at 4 per cent. at par, which apparently is only liable to a surtax. Both loans will be 4 per cent. bonds free of income tax, to be sold at par. The 5 per cent. will be issued for a period of thirty years, with the option of redemption after twelve years. The 4 per cent. will run for twenty-five years, with the same option.

Yield 5 1/2 Per Cent.

The bulk of the issue will be 5 per cent. bonds sold at 95, thus yielding approximately 5 1/2 per cent. There will also be 4 per cent. bonds free of income tax, to be sold at par. The 5 per cent. will be issued for a period of thirty years, with the option of redemption after twelve years. The 4 per cent. will run for twenty-five years, with the same option.

Five per cent. of the subscriptions must be paid with the application and the remainder will be payable in equal installments before May 30. The proceeds of the loan may be converted into the new loan at par. A similar provision is made for conversion of various types of short term paper issued in the last few months.

The bonds will be issued in denominations of £50 and multiples thereof, and through the post office subscriptions as low as £5 will be received.

Mr. Bonar Law, in his speech, aimed his words at investors who might be tempted to withhold their money for possible later issues at a higher rate of interest.

"So far as the present Government can control the future," he said, "a higher rate of interest will not be paid at any time. So long as there is money in the country we will not allow lack of it to hamper the conduct of the war. There was a limit to the rate of interest the Government would pay for money. If there are other methods which can be applied, and the rate of interest in such case will not be 5 1/2 per cent."

Option Given.

"We are giving the option to those who prefer security to anything else," said Mr. Bonar Law, "of having a tax compounded loan. That loan will be at the rate of 4 per cent. It will be issued at par and redeemable at the option of the State at the end of twelve years, but enduring for twenty-five years."

"Well, gentlemen, every one knows that from the viewpoint of financial security it is not a good thing for the Chancellor of the Exchequer to give away the right of taxation in the future. But I do think that if there is any one wanting to be quite sure that during the period of the loan he will not have to pay a higher income tax than five shillings we ought to give him that option if it is desired."

The sinking fund provision outlined by Mr. Bonar Law was the most striking innovation in connection with the new loan. This is the first time a British loan has been issued with a sinking fund provision. The Government agrees to set aside monthly one-eighth of 1 per cent. of the total amount of issue. This sum, representing an annual sinking fund appropriation of 1 1/2 per cent., will be used to accumulate until a fund of £10,000,000 is in hand, which will then be used for purchasing bonds in the open market whenever they fall below the issue price.

Prospectus Issued.

The prospectus of the new war loan, which was issued to-night, adds a little information to that given in the speech of Mr. Bonar Law. It says that on the 4 per cent. loan "the dividends will be exempt from liability to assessment and to the British income tax, other than the surtax," and specifically announces that the new loan does not carry the right of conversion into any future issue which the Government may make.

In this connection it is interesting to note that Great Britain is the only one of all the belligerents which has been successful in raising large sums for the war by additional taxation. The financial position of Great Britain before the launching of this loan was as follows: Total war expenditure since the outbreak of the war up to December 31, 1916, £18,000,000,000; total amount raised by revenue, \$4,000,000,000; total loans, \$14,000,000,000.

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WILL ASK U. S. TO JUDGE

Berlin Hopes to Carry Out the
Sussex Pledge, Teuton
Diplomats Say.

WASHINGTON, Jan. 11.—Germany's answer to the Allies' rejection of a peace conference will be to strike more ruthlessly with her submarines. With the peace bubble burst the attention of officials here is centered now on the submarine question. The correspondent of The Sun is able to explain authoritatively what policy Germany may be executed to follow along that line.

German submarines will now strike more determinedly against merchant shipping of the Entente nations. The next few months may show submarine warfare against commerce carriers on a greater scale than heretofore believed possible. There undoubtedly will be many cases in which the charge will be made that international law has been violated. Nevertheless German officials here insist that the Imperial Government is going to adhere faithfully to the Sussex pledge.

To Respect Pledge to U. S.

The new German policy, they say, is to be based on adherence to the principle involved in that pledge and will permit all the technicalities regarding armed merchantmen or troops to be interpreted in Great Britain's favor. In other words, Germany is determined to follow her interpretation of the pledge, which it is hoped will be the interpretation President Wilson will place on it.

In a broad sense the Germans are going to instruct submarine commanders to treat merchantmen just as cruisers and to be expected to treat commerce carriers on the high seas.

If a ship is judged to be armed for offense the submarine commander will torpedo her at sight. In Teuton circles it is explained that no neutral Government would have the right to ask that cruisers refrain from treating armed merchantmen as auxiliary warships and that there is no valid reason under international law why German submarine commanders should be asked to pursue this course.

The amount of immunity which British merchantmen may henceforth expect from German submarines may depend to a great extent on whether or not the British admiralty recedes its reported offer to arm all merchantmen fore and aft. Germany contends that arming vessels in this manner places them in the category of warships. This view will be presented to President Wilson for his consideration. The Berlin Foreign Office will point out that Germany cannot consent to such a stand against the immunity and will ask that the United States concur in this view.

Aims to Avoid Clash.

Germany will expect the United States to inform Great Britain and her allies that such vessels will be subject to attack without warning. It will be explained to President Wilson, it is said, that such misunderstanding between the United States and Germany might be avoided in advance by a mutual agreement as to what is or is not a peaceable merchantman. Germany will urge that President Wilson take a definite stand against the arming of British merchantmen along the projected lines and will also suggest that the President warn Americans against shipping as members of British crews on such vessels.

The fact that President Wilson is understood to be extremely anxious to avoid submarine complications with Germany is regarded as likely to lead to some action on the part of the United States Government. It should be noted that the German view the Berlin Foreign Office may be forced to point out that its own interpretation of international law must govern the destinies of the nation.

It is practically certain unless President Wilson yields to the German view that there will be many more instances of the seizure of the passenger steamship Arabia and the British steamship Marina. In the Arabia case the submarine commander mistook the vessel for

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a transport and attacked her without warning, jeopardizing American lives. In the case of the Marina six Americans lost their lives.

Technical Point in Dispute.

But in both cases, which have now been made an issue by the United States Government, Germany denies all intention of violating the American pledge and pleads that they involve only differences of opinion between the two Governments as to such technicalities as the difference between auxiliary warships and bona fide merchantmen. There will be many more cases like these, it is admitted. The only way the United States can hope to minimize the number will be by taking a stand against the British practice of arming these vessels. Germany believes that a very important point for the consideration of the United States Government is the suggestion that Americans refrain from joining the crews of armed merchantmen. A simple warning would, in the opinion of German officials, obviate the danger that might threaten the relations between the two Governments as the result of Americans losing their lives on these vessels.

ANOTHER "DRY" BILL PASSED.

Prevents Mailing of Liquor Ads.
Into No License Territory.

WASHINGTON, Jan. 11.—The Senate took another step in the direction of tightening the laws on the traffic in intoxicants by passing the Bankhead bill to prevent the sending in the mails of advertisements for liquor houses into "dry" territory.

A clause penalizing postal employees who should knowingly handle the prohibited mail was eliminated. An amendment in behalf of newspaper publishers was added to require the Postmaster General from time to time to issue public bulletins giving lists of States which prohibit liquor advertising. Senator Bankhead explained that the bill was not aimed at newspaper advertising especially, but more particularly at the liquor dealers to prevent their sending liquor advertisements and soliciting orders through the mail into "dry" States which prohibit such advertisement and solicitation.

TURKS LOSE TRENCHES.

British Report Success on Right Bank of River Loop.

LONDON, Jan. 11.—The following official communication dealing with the campaign in Mesopotamia was issued this evening:

"In the morning of the 10th, during foggy weather, our troops continued their operations on the right bank of the Tigris. They made steady progress throughout the day and by nightfall the greater part of the Turkish trenches on the right bank of the river in the loop northeast of Kut-el-Amara were captured."

TEUTONS ANGERED BY ENTENTE REPLY

Bernstorff Regards Missive as
Barring Way to All
Peace Talk.

"TERMS" CALLED A JOKE

Would Never Be Proposed at a
Conference, View of Ger-
man Diplomats.

WASHINGTON, Jan. 11.—The Entente's reply to President Wilson's note has removed all doubt as to the failure of peace negotiations, so far as German diplomatic circles here are concerned. It is now admittedly war to a finish.

Count von Bernstorff, the German Ambassador, read the note this afternoon and realized then that it closed the door to further parley. He regards the Entente reply to Germany as having already barred the way, so far as any further peace proffer from the Imperial Government was concerned. This second refusal he regards as a matter for President Wilson's consideration rather than Germany's.

The spirit and text of the Entente reply admittedly disappointed and even angered Teuton diplomatic circles. The so-called terms were characterized as a "joke."

"Germany would rather live on bread and water for a dozen years than consent to any one of those terms," was the comment in German circles.

How Germans Regard Allies.

German diplomats summed up the outlined aims of the Entente as "a determination to dismember Germany and extinguish two of her allies, Austria-Hungary and Turkey."

"At least, we know now that our enemy is not admitting for a war of conquest," was the comment of one German diplomat. He said he expected the effect of the note would be beneficial to the Central Powers in two ways. First, it would steel the German people to fight with all the determination in their power against a foe seeking to destroy the fatherland and, second, it would, according to Teuton diplomats, arouse strong opposition among the peoples of certain of the Entente Powers.

So far as the military situation is concerned or the immediate plans of the Imperial Government German diplomats do not believe the Entente note will necessitate any pronounced change.

"The war will now continue and last until the Entente is convinced that it cannot win the war. When that day arrives we shall have peace. Not until then. We had hoped for the sake of our enemies as well as ourselves that the Entente had come to the point of realizing this. Apparently it has not. There is then nothing to do but fight on."

Charges Laid.

The charges contained in both the Entente note and the Belgian note are de-



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KILLED FLEEING FROM FIRE.

**Worker Trying to Board Train
With Family Falls Under Wheels.**

The only death from the Kingsland disaster, it was believed at an early hour this morning, occurred in Arlington, several miles from the blaze, and was only indirectly attributable to it. Michael Wisnki, a workman in a celluloid factory at Arlington, heard the first explosion and a few minutes later, looking out the window, saw a number of his townpeople fleeing for a train to take them to a safer neighborhood.

Wisnki discovered his wife and children in the crowd getting aboard the cars, and with a sudden impulse ran from his bench to join them. He reached the train just as it was pulling out. In trying to leap aboard he fell and was crushed under the wheels.

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